

**CITY OF STOCKTON, CALIFORNIA  
CITY COUNCIL POLICY**

|                                                          |                         |                                      |
|----------------------------------------------------------|-------------------------|--------------------------------------|
| <b>Subject:</b><br>LIEN FORGIVENESS INCENTIVE<br>PROGRAM | <b>Policy No. 700-6</b> | <b>Page No. 1 of 4</b>               |
|                                                          | <b>Effective Date:</b>  | <b>Revised from:</b><br>Nov. 5, 2008 |

**PURPOSE**

Promote investment, improvements, and/or blight abatement to blighted properties within Stockton City limits.

**POLICY**

The intent is to allow the City Manager to forgive certain liens previously imposed by the City, for the public purpose of facilitating substantial investment, improvements, and/or blight abatement to blighted properties.

**PROCEDURE**

**A. Eligible Properties**

*To be considered for participation in this program, a property must meet all of the following criteria:*

1. The property must be improved for a use or uses other than a single family residential use. No single family residential uses are eligible. Duplexes and triplexes shall only be eligible if there are 4 or more units located on the same property.
2. The applicant must be able to show that the successful rehabilitation of the property is being prevented due to exceptional lien burdens (minimum \$5,000 in total).
3. The applicant must be able to provide a letter verifying financial need.
4. Improvement or blight abatement of the property must further goals and objectives contained in the Economic Development Strategic Plan, Urban Land Institute Report, Council goals, or other related City plan, as well as bring the site into compliance with all applicable codes.
5. The investment, improvements, and/or blight abatement of the property will have a significant positive effect on the surrounding neighborhood and has the strong potential to encourage additional investment and improvements in the surrounding area.
6. The applicant must demonstrate the ability to undertake and complete improvements, as well as competently manage and maintain the property.

**CITY OF STOCKTON, CALIFORNIA  
CITY COUNCIL POLICY**

|                                                          |                         |                               |
|----------------------------------------------------------|-------------------------|-------------------------------|
| <b>Subject:</b><br>LIEN FORGIVENESS INCENTIVE<br>PROGRAM | Policy No. <b>700-6</b> | Page No. 2 of 4               |
|                                                          | Effective Date:         | Revised from:<br>Nov. 5, 2008 |

7. No Applicant is eligible who has caused, maintained, or allowed the violations, fines, fees, or liens at the subject property.

The City Manager reserves the right to bring any property to the City Council for approval which does not meet the above criteria, if, in the opinion of the City Manager, the project would meet the purpose of this Policy by facilitating substantial investment, improvements, and/or blight abatement to blighted properties.

\*It should be noted that, depending on the agreement reached, some improvements may be subject to prevailing wage requirements.

**B. Application Process**

1. The property owner or potential purchaser of an eligible property may apply for the program.
2. The City will review and process the application and complete its due diligence in a timely fashion; which may require consultation with San Joaquin County.
3. Determination (Section C).
- 4a. City Manager approval. (Note: City Manager may accept or reject proposal and/or impose additional stipulations.)
- 4b. City Council approval required for lien totals exceeding the current Council limit, which is adjusted each July.

**C. Determination**

The Economic Development Director is responsible for determination of eligibility. Evaluation results in one of two outcomes:

*Approval* – If the application is found to be eligible, the applicant will proceed to negotiations with City staff to determine specific criteria for project's acceptance into the Program.

OR

*Denial* – The Economic Development Director may deny an application due to eligibility criteria. A formal letter expressing denial will be sent to the applicant.

**CITY OF STOCKTON, CALIFORNIA  
CITY COUNCIL POLICY**

|                                                                   |                         |                               |
|-------------------------------------------------------------------|-------------------------|-------------------------------|
| <b>Subject:</b><br><b>LIEN FORGIVENESS INCENTIVE<br/> PROGRAM</b> | Policy No. <b>700-6</b> | Page No. 3 of 4               |
|                                                                   | Effective Date:         | Revised from:<br>Nov. 5, 2008 |

The applicant can appeal decision through the Reconsideration/Appeal Process (Section D).

**D. Reconsideration/Appeal Process**

**Reconsideration**

1. The applicant has 30 days to request reconsideration by the Economic Development Director of his or her decision to deny the project acceptance into the Program. The applicant shall request reconsideration in a letter addressed and delivered to the Economic Development Director, which sets out in detail the reasons why the proposed projects should be accepted in the Program.
2. A review of the request for consideration will be conducted by the Economic Development Director and a written response will be mailed to the applicant.

*If the applicant is not satisfied with the results of the request for reconsideration then:*

3. The applicant has 30 days, following the mailing of the written response to the request for reconsideration, to send a letter requesting a meeting with the Economic Development Director and staff. During the meeting, the applicant will receive verbal notification whether the Economic Development Director has decided to overturn the previous denial decision and allow the project acceptance into the Program.

**Appeal**

*If the applicant is not satisfied with the results of the meeting with the Economic Development Director, then:*

4. The applicant has 14 days following the meeting with the Economic Development Director to file with the City a letter appealing the decision made by the Economic Development Director. The letter of appeal shall be delivered to the Office of the City Manager. The City Manager will

**CITY OF STOCKTON, CALIFORNIA  
CITY COUNCIL POLICY**

|                                                          |                         |                               |
|----------------------------------------------------------|-------------------------|-------------------------------|
| <b>Subject:</b><br>LIEN FORGIVENESS INCENTIVE<br>PROGRAM | Policy No. <b>700-6</b> | Page No. 4 of 4               |
|                                                          | Effective Date:         | Revised from:<br>Nov. 5, 2008 |

notify the applicant by mail of his or her decision and the decision of the City Manager shall be final.

**E. Agreement/Monitoring Plan**

1. In each instance where the City shall choose to forgive certain liens previously imposed on a property, such forgiveness shall be memorialized in an agreement approved by the City Manager and conditioned upon (among other matters) the successful investment, improvements, and/or blight abatement of the subject property and shall be further conditioned upon the subject property remaining in acceptable condition for no less than five years following project completion.
2. If the subject property is not successfully invested in, improved, and/or blight is not abated within the project schedule approved by the City (as determined by the Economic Development Director), the City shall not forgive the liens previously imposed on the property.
3. If the property has not been properly maintained (as determined by the Economic Development Director), following the successful investment, improvements, and/or blight abatement of the subject property, the City may re-institute the subordinated liens, as well as pursue additional interest and penalties.
4. If the subject property meets all of the requirements specified in the agreement, at the end of the five-year monitoring period, the applicant may request the City remove the applicable lien from the property.